

TOWN OF CHESAPEAKE CITY

108 Behemia Avenue Chesapeake City, Maryland 21915-0205 (410) 885-5298

October 1, 2010

Mr. George Beer Delaware Valley Development Company 722 Yorklyn Road, Suite 350 Hockessin, Delaware 19707

RE: Chesapeake Village - Phase I

Dear Mr. Beer:

I am writing in response to your notification to me of Delaware Valley Development Company's ("DVDC") plans to acquire unimproved property between Routes 286 and 342 in order to construct an affordable rental community for our working families. It is my understanding that your project includes the new construction of 50 townhouse units, and that DVDC intends to submit this project for financing to the Maryland Department of Housing and Community Development in the upcoming October 2010 funding round.

Subject to your project receiving all necessary approvals, I am pleased to lend my support given the project's mission of providing much needed affordable workforce housing for families in Chesapeake City. Therefore, please accept this letter as my expressed support of your project. In addition, the Town will provide a financial contribution to the project in the form of decreased development fees by reducing the costs of the water and sewer allocation fees from \$15,000 per dwelling unit to \$12,500 per dwelling unit. Finally, I will also request that the Town Council express its support and contribution for the project by memorializing it in the form of a resolution.

I wish you luck with your application for funding and we look forward to working with you through the approval process. If you have any questions please do not hesitate to call.

Sincerely, Lie

Frank Hill, Mayor Chesapeake City, MD